

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### **Pegasus Manufacturing Inc.**

#### **Connecticut State Technology Extension Program**

#### **New Business Strategy gives Pegasus Manufacturing, Inc. Stronger Wings for Growth**

##### **Client Profile:**

Pegasus Manufacturing, Inc., provides fabricated tube assemblies and machined-gear components according to customer needs, specs and timing. The family-owned company serves a wide range of industries including airframes, aerospace engines, military, government, power generation, submarine, medical equipment, nuclear, telecommunication, specialized OEM equipment, food processing, high tech, computer and chip manufacturers. Pegasus employs 65 people at its facility in Middletown, Connecticut.

##### **Situation:**

Pegasus had experienced its best sales, but also its biggest loss because of poor productivity. Owner Chris DiPentima knew that the operational issues were essentially Lean issues and he also knew that many of the Lean principles would work for a job shop. He selected the Connecticut State Technology Extension Program (CONNSTEP), a NIST MEP network affiliate, to assist the management with their business strategy, vision, mission and business plan.

##### **Solution:**

CONNSTEP's Jack Crane and consultant Ed Miller guided Pegasus management through the development and execution of their strategic plan. In a productive three-day management retreat, the team fleshed out their Balanced Scorecard which includes 12 metrics in customer satisfaction, operational excellence, financial excellence and employee satisfaction. During this retreat, the management team succeeded in developing an enterprise-wide transformation plan that completely restructured the business strategy, how they viewed themselves, their core competencies and values. Crane and Miller then led the team through deployment, teaching them Hoshin Kanri, the Japanese methodology for deploying a strategic plan using a regimented, structured approach. Introducing Lean created a shake-up, but one that was necessary to improve process flow, standardize work, and eliminate redundancies and duplications that were the result of merging so many different companies. For Pegasus, this also meant restructuring the workforce and processes while at the same time, keeping orders aligned, prioritized and flowing. As a result of CONNSTEP's assistance, the company attained both Nadcap (formerly NADCAP, the National Aerospace and Defense Contractors Accreditation Program) welding and brazing and Nadcap FPI and X-ray certifications; and completed the AS9100 certification for the entire business to service the aerospace industry.

##### **Results:**

- \* Achieved AS9100 certification.
- \* Increased sales by 48 percent.
- \* Realized \$150,000 in cost savings.

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- \* Reduced scrap by 50 percent.
- \* Reduced returns by 50 percent.
- \* Reduced safety incidents by 100 percent.
- \* Achieved a more competitive and profitable position.

#### **Testimonial:**

"CONNSTEP guided us through some very challenging times and taught us the tools we needed to make a successful enterprise wide transformation. We have a great relationship with CONNSTEP -- very positive -- and we continue to work with them."

Chris DiPentima, President and General Counsel